

Amendment No. 1 to SB1685

Watson
Signature of Sponsor

AMEND Senate Bill No. 1685

House Bill No. 1468*

by deleting all language after the enacting clause and substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

(a) This section shall be known and may be cited as the "Historic Structure Rehabilitation Act."

(b) As used in this section:

(1) "Certified historic residential structure" means a nonincome producing property that is located in this state and is:

(A) Listed individually in the national register of historic places; or

(B) Located in a registered historic district listed on the national register of historic places and is certified by the secretary of the United States department of the interior as contributing to the historic significance of the district;

(2) "Certified rehabilitation" means the rehabilitation of a certified historic residential structure that the commission has certified as meeting the United States secretary of the interior's standards for rehabilitation as defined in 36 CFR 67.7;

(3) "Commission" means the Tennessee historical commission;

(4) "Department" means the department of revenue;

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(5) "Owner" means the person who holds legal fee or leasehold title to a certified historic residential structure, or an identifiable portion of the structure; and

(6) "Qualified rehabilitation expenditures":

(A) Means expenses incurred in the certified rehabilitation of a certified historic residential structure;

(B) Includes preservation and rehabilitation work done to the exterior of a certified historic residential structure; repair and stabilization of historic structural systems; restoration of historic plaster; repairs or rehabilitation of electrical or plumbing systems exclusive of new electrical appliances and electrical or plumbing fixtures; and architectural, engineering, and land surveying fees; and

(C) Does not include the cost of acquiring the certified historic residential structure, the cost attributable to the enlargement of an existing building, or the cost of site work expenditures.

(c) Upon completion of a certified rehabilitation, the owner of a certified historic residential structure is entitled to a refund equal to the total amount of state sales and use tax paid by the owner to one (1) or more retailers as a result of the owner's qualified rehabilitation expenditures, provided, that:

(1) The owner used the certified historic residential structure for at least one (1) year following the completion of the certified rehabilitation as the owner's primary residence;

(2) The rehabilitation meets standards consistent with the standards of the secretary of the United States department of the interior for rehabilitation, as certified by the commission; and

(3) The certified qualified rehabilitation expenditures are made on or after January 1, 2019.

(d) The taxpayer's claim for refund of state sales or use taxes paid to Tennessee may include such state taxes paid by the owner, contractors, and subcontractors on sales or use of qualified rehabilitation expenditures.

(e) The commission shall develop the following forms to allow owners to claim the refund established by this section:

(1) A form used to request designation of a property as a certified historic residential structure;

(2) A form used to request certification of a proposed rehabilitation as meeting the standards consistent with the standards of the secretary of the United States department of the interior for rehabilitation; and

(3) A form used to request certification of a completed rehabilitation after the owner used the property for one (1) year in accordance with subdivision (c)(1).

(f) After receiving the certificate of a completed rehabilitation from the commission, the owner may apply for a refund from the department of revenue of Tennessee state sales and use tax paid for the qualified rehabilitation expenditures for a certified rehabilitation. The application shall be in a form determined by the department and shall include:

(1) A statement of all qualified rehabilitation expenditures purchased for the rehabilitation of the certified historic residential structure, supported by documentation showing the payment of state sales and use tax to one (1) or more retailers;

(2) Evidence that the certified rehabilitation has been completed and that the structure was used in accordance with subdivision (c)(1); and

(3) Other documentation as determined by the department.

(g) Subject to § 67-1-1802, to receive a refund under this section, the owner shall submit only one (1) application for refund for a certified rehabilitation to the department. Notwithstanding § 67-1-1802, such refund shall be made by the department directly to the owner and shall not be made by the retailer to the owner. Notwithstanding § 67-1-1802, all applications for refund for a certified rehabilitation under this section shall be submitted to the department within two (2) years from the date of issuance by the commission of the certificate of a completed rehabilitation.

(h) The commission and the department may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to implement this section.

(i) The commission shall establish a fee, not to exceed an amount reasonably calculated to offset the commission's expenses in administering this section, for the certifications required by this section or by any rules promulgated pursuant to this section, including staff. Moneys received as fees shall be expendable receipts of the commission to be used for performing its duties under this section.

SECTION 2. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2019, the public welfare requiring it.